



HOW IS THE FUND MANAGED?

Monroe County has established a Revolving Loan Fund Committee, consisting of individuals representative of broad County interests, and having a special expertise or knowledge of commercial lending and economic development. Expertise on the Committee optimally may include representation from the County Board, the Economic Development, Commerce and Tourism Committee, a local economic development organization, a commercial lender, accountant, attorney, business owner and the RLF Administrator who shall serve as a non voting member appointed by the County. The County has contracted with the Mississippi River Regional Planning Commission to administer the RLF Program.

HOW IS AN APPLICATION SUBMITTED?

Prior to submitting an application, the applicant shall discuss the Program with the RLF Administrator, please call 608.785.9396. The RLF Administrator will advise the applicant in completing the application. Applications may be submitted at any time during the calendar year. Applications shall be reviewed in the order received and based on readiness for the proposed project to proceed. In the event that loan funds requested exceed available funds, the Revolving Loan Fund Committee has established additional criteria that will be used to determine which business(es) will be awarded the loan(s).

Applications can be downloaded from the MRRPC website: www.mrrpc.com, then click on "Business Loans". Completed applications should be mailed or emailed to the Mississippi River Regional Planning Commission 1707 Main Street, Suite 435 La Crosse, WI 54601
Email: plan@mrrpc.com

Providing Start-up and Expansion Financing for Businesses in Monroe County



For Further Information on the Monroe County Revolving Loan Fund Please Contact:

- **The Monroe County
Economic Development Coordinator
819 Superior Avenue
Tomah, Wisconsin 54660
608.769.9910 | www.gomonroecountywi.com**
- **The Mississippi River Regional Planning
Commission at 1707 Main Street, Suite 435
La Crosse, Wisconsin 54601
608.785.9396 | www.mrrpc.com**

**To download an RLF application go to:
www.mrrpc.com and then click on
"Business Loans"**

MONROE COUNTY REVOLVING LOAN FUND "RLF"

Providing Start-up and Expansion Financing for Businesses in Monroe County



Funding for this program comes from the U.S. Department of Housing and Urban Development—Community Development Block Grant Program.

The Wisconsin Department of Administration, Division of Energy, Housing and Community Resources, Bureau of Community Development and Monroe County administer this program.

MONROE



Q&A: MONROE COUNTY REVOLVING LOAN FUND PROGRAM

WHAT IS THE PURPOSE OF THE FUND?

The Monroe County Revolving Loan Fund (RLF) Program is designed to promote local economic development by providing a source of long term, fixed rate, low interest financing for new and existing business projects that are located in Monroe County. It is the intent of the county revolving loan fund to be a stimulus for commercial lending and not a substitute for private capital.

HOW IS THE FUND CREATED?

The Monroe County RLF was capitalized in 1998 through a \$450,000 State of Wisconsin Community Development Block Grant (CDBG) award. These funds were then used to loan to a wood product manufacturer. These funds have been repaid and from these repayments additional loans to other businesses have been made that also helped capitalize the Fund. The Fund always participates with financial institutions and/or equity investors and does not make direct loans. Loans can be used for a start-up business, an existing business expansion or business retention project.

WHAT ARE THE OBJECTIVES OF THE FUND?

The overall objective is to perpetuate a positive and proactive business environment by providing affordable gap financing that results in business expansion, attraction and retention. The fund looks to provide loans to a diverse mix of businesses in need of capital that cannot be provided through conventional lending sources. The Fund also has an objective to create and retain jobs mostly targeted for low and moderate income persons. Funding projects that lead to a higher knowledge and higher skilled workforce is another objective of the Fund.

COUNTY



HOW WILL THE FUND ACHIEVE ITS OBJECTIVES?

The fund will achieve its objectives by providing business loans with affordable and flexible terms in concert with a private lender and/or equity investor. The purpose of the RLF financing is to attract more private sector participation than would normally occur were it not for the unique financing available from the RLF. The RLF loan should be viewed as a source of funding that “bridges the financing gap” to fully fund a project that will help a business prosper and create or retain jobs for low and moderate income persons. In all instances the RLF loan will be in conjunction with a private lender and/or equity investor.

WHAT ARE THE REQUIREMENTS OF THE FUND?

Private Funds Must be Leveraged—The applicant must leverage a minimum of one dollar of private funds for every one dollar of loan funds requested. Higher leverage may be required at the discretion of the Loan Review Board.

Jobs must be Created or Retained—At least one full-time permanent job must be created or retained for every \$35,000 of RLF loan requested. The Committee may require a lower job cost where warranted, i.e. type of job and wage rate, etc. The business must document probability of failure without RLF and additional private funding assistance in order to obtain RLF loan funds for retaining jobs.

Financial Feasibility and Business Viability must be Exhibited—The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds through a business plan.

Loans Must Benefit Low and Moderate Income Persons—The project shall provide increased permanent employment or will retain existing jobs which would have been lost. Of the jobs created by the project at least 51% of the jobs must be held or made available to low to moderate income persons (LMI).

RLF



“LMI Persons” means persons with household income less than 80% of the median household income by family size in the County where the Project is located.

“Made Available to LMI Persons” means the Borrower will document that at least 51% of the new full-time equivalent positions are made available to LMI Persons by providing the titles of all jobs being created and having job applicants complete the Community Development Block Grant Employee Self Certification Form.

“Received First Consideration” means the Borrower must document and use a hiring practice that results in at least 51% LMI Persons interviewed for created positions and demonstrate that under usual circumstances this hiring practice will result in at least 51% LMI Persons being hired. New jobs must be listed and publicized with the regional Job Center.

WHAT ARE THE TERMS AND CONDITIONS OF THE FUND?

Loan Amount—Loan amounts are subject to the availability of Program funds. The Board has the discretion to go to 50% of the total project cost.

Interest Rate—The interest rate shall be established by the Loan Review Board. If there’s no financial institution participation, the interest rate shall be set at the money center prime rate as published in the Wall Street Journal at time of loan closing.

Terms of Loans—Working capital loans shall have a maximum term of seven years. Loans for machinery, equipment, and fixtures shall have a maximum term of ten years. Real estate loans shall have a maximum term of 12 years which can be amortized on a 20 year basis with the option of refinancing for an additional eight years. In any case the loan shall not have a term longer than the terms of the other private financing in the project. Terms may include longer amortization schedules with balloon payments.